

Water Service District Staff Report

Subject: Amendment to Water Supply Agreement between Salt Lake City and Park City
Author: Clint McAfee
Department: Public Utilities
Date: October 23, 2018
Type of Item: Administrative

Recommendation

Staff recommends Council authorize the City Manager to execute an amendment which would extend to October 31, 2019 the terms of: 1) the October 8, 1991 Water Supply Agreement between Salt Lake City Corporation and Park City Municipal Corporation; and 2) the March 2, 2016 amendment to the 1991 agreement as amended in the attached agreement. See Attachment A.

Background

PCMC currently leases 1,000 acre feet from SLC's 36% of the water originating from above the 6,600 foot point in the Spiro Tunnel between May 1st and October 31st of each year. The lease agreement was executed on October 8, 1991 and carried an initial twenty-five (25) year term with the option to renew for successive five (5) year periods upon written agreement. On March 2, 2016 PCMC and SLC amended the 1991 agreement to extend the 1991 agreement one year while also enlarging the period of use to year-round. The intent of the amendment was to allow staff an additional year to continue exploring the possibility of a long-term, year-round use agreement. A similar amendment extending the term of the 1991 agreement one year was executed in 2017. The Amendment currently before council would be the third amendment to the 1991 agreement and will again allow staff to continue exploring the possibility of a long-term, year-round use agreement.

The extension of this agreement to October, 2019 will automatically extend for one year the 2017 Spiro Tunnel Water Agreement, whereby Park City supplies snowmaking water to Vail. See Attachment B.

Funding

Costs associated with water diverted will be passed onto the user of the water. The cost of preparing and executing the addendum is included in the current water operations budget.

Attachments

- A 2018 Amendment to Water Supply Agreement
- B 2017 Spiro Tunnel Water Agreement

ATTACHMENT A

2018 Amendment to Water Supply Agreement

This 2018 Amendment to Water Supply Agreement is made and entered into on the ____ day of _____, 2018, by and between Salt Lake City Corporation, a municipal corporation of the State of Utah, (the “**City**”) and Park City Water Service District, a special service district organized and existing pursuant to the provisions of Utah Code Annotated §17A-2-1301 *et seq.*, 1953, as amended, (the “**District**”). The City and the District are hereinafter sometimes referred to as a **Party** and collectively as the **Parties**.

WHEREAS, the City and Park City Municipal Corporation entered into a Water Supply Agreement on October 8, 1991, (hereinafter the “Agreement”), which provided for the City to make available to Park City Municipal Corporation of a portion of Spiro Tunnel Water from May 1 and October 31 of each year, provided that such water was surplus to the City’s needs; and

WHEREAS, Park City Municipal Corporation has assigned all of its rights, interests and obligations under the Agreement to the District; and

WHEREFORE, the Agreement has been amended on several occasions, including an Amendment dated March 2, 2016, to extend the term of the Agreement and make available to the District the City’s Spiro Tunnel Winter Water; and

WHEREAS, the City and the District now desire to extend the term of the Agreement, as amended, without changing the other terms of the Agreement;

NOW, THEREFORE, in consideration of the premises, the Parties agree to amend the Agreement and the March 2, 2016 Amendment as follows:

1. Paragraph 3 of the March 2, 2016 Amendment is hereby deleted in its entirety and amended to state:

Term. The term of the Agreement shall take effect upon recordation of it by the Salt Lake City Recorder, and shall end on October 31, 2019; provided, however, that the term may be extended upon the written consent of both Parties.

2. Except as provided in this 2018 Amendment, the Agreement, as amended, shall continue in full force and effect in accordance with their terms.

3. Representation Regarding Ethical Standards for Salt Lake City Officers and Employees and Former Salt Lake City Officers and Employees. The District represents that it has not (1) provided an illegal gift or payoff to an Salt Lake City officer or employee or former Salt Lake City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in Salt Lake City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, an Salt Lake City officer or employee or former Salt Lake City officer or employee to breach any of the ethical standards set forth in Salt Lake City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have caused this 2018 Amendment to Water Supply Agreement to be executed as of the day and year first above written.

PARK CITY WATER SERVICE DISTRICT

Andy Beerman, Chair

Attest:

Michelle Kellogg, City Recorder

Approved as to form:

Thomas A. Daley, Sr., Deputy City Attorney

SALT LAKE CITY CORPORATION

Laura Briefer, Director
Salt Lake City Department of Public Utilities

Attest:

Salt Lake City Recorder

Approved as to form:

E. Russell Vetter, Deputy City Attorney